

**EXHIBIT 11**

**Exclusive: KKR Prepares More Samson Asset Sales as Oil Prices Plunge - Sources,  
Reuters, dated November 10, 2014**



EDITION: U.S.

SIGN IN | REGISTER

Search Reuters



HOME BUSINESS MARKETS WORLD POLITICS TECH OPINION BREAKINGVIEWS MONEY LIFE PICTURES VIDEO

Deals | Mon Nov 10, 2014 8:01am EST

Related: DEALS

# Exclusive: KKR prepares more Samson asset sales as oil prices plunge - sources

BY MIKE STONE AND GREG ROUMELIOTIS

KKR & Co (KKR.N), which led the acquisition of oil and gas producer Samson Resources Corp for \$7.2 billion in 2011 and has already sold almost half its acreage to cope with lower energy prices, plans to sell its North Dakota Bakken oil deposit worth less than \$500 million as part of an ongoing downsizing plan, according to people familiar with the matter.

KKR, one of the world's biggest private equity firms with \$96 billion in assets under management, overpaid for Samson, and persistently low natural gas prices have hampered its ability to finance the company and added to its debt burden, the people said. KKR's plan was to shift Samson's assets from natural gas production more into oil and liquids.

With U.S. crude oil futures down 25 percent since June, Samson has hired Bank of Nova Scotia (BNS.TO) to sell the Bakken assets, and the company is contemplating more asset sales to raise cash, the people said, without specifying which other assets.

In the medium-term, Samson may look at acquiring higher-income properties, turning to its private equity owners or external investors for financing, one of the people said.

A Samson spokesman did not respond to several requests for comment. Bank of Nova Scotia declined to comment.

Carlyle Group LP's (CG.O) NGP Energy Capital Management LLC, Crestview Advisors LLC and Itochu Corp (8001.T) invested alongside KKR in Samson. KKR, Carlyle and Crestview declined to comment, while Itochu did not respond to a request for comment.

Samson doesn't face any imminent debt maturities or breaches of credit covenants. But the Tulsa, Oklahoma-based company has posted large losses so far this year. Samson's bonds are trading around 70 cents on the dollar, indicating that KKR and its partners' equity in the company would probably be wiped out were the whole company to be sold now.

Samson's financial woes underscore how private equity's love affair with North America's shale revolution comes with risks. The stakes are especially high for KKR, which saw a \$45 billion bet on natural gas prices go sour when Texas power utility Energy Future Holdings filed for bankruptcy this year.

It also shows how the drop in oil prices is exacerbating struggles for companies in the sector, especially those with high debt loads.

Apollo Global Management LLC's (APO.N) Jupiter Resources, for example, has seen its bonds trade at below 90 cents on the dollar, just one month after it issued them to help fund its \$1.8 billion acquisition from Canada's Encana Corp (ECA.TO).

## TRENDING ON REUTERS

- Reluctant Tsipras fights to pass reforms in Greek parliament | VIDEO **1**
- Yellen stands by Fed transparency as lawmakers turn up heat | VIDEO **2**
- China stocks drop again, positive data shrugged off **3**
- Mexico shows security footage of Guzman moments before he disappeared into tunnel | VIDEO **4**
- 'Bookkeeper of Auschwitz' found guilty by German court | VIDEO **5**

## RECOMMENDED VIDEO

- Ukraine swears in new police as part of refor...
- Iraqi military say they've destroyed Islamic Stat...
- Hundreds rally for Confederate flag
- Neighbors weep for Chicago boy killed by ...

## TIME FOR TURNAROUND

Samson has time to restore its fortunes. KKR and its partners agreed to invest \$4.15 billion as equity in Samson, financing the rest of the purchase price with debt – a relatively low use of leverage in the buyout by historical standards.

Its total debt amounts to \$3.75 billion, of which \$500 million matures in 2016, \$1 billion in 2018 and \$2.25 billion in 2020.

Samson, which has properties spread across the Rockies, Oklahoma and East Texas, has reduced its net acreage to 1.6 million from 3 million since KKR took over. These asset sales include a deal two years ago to sell some of its Bakken acreage to Continental Resources Inc (CLR.N) for \$649.3 million.

KKR had hoped more of Samson's assets would have developed into higher production by now.

"Everyone wants to be near the 'sweet spot' where the reservoir produces the most liquid and a higher concentration of hydrocarbons per square foot," said Allen Brooks of boutique investment bank PPHB LP.

Last year, Samson appointed former Rosetta Resources Inc (ROSE.O) CEO Randy Limbacher as its chief executive. He has said he would like to eventually take Samson public.

Some relief may also be in sight. Natural gas prices have risen 25 percent in the last eight days, buoyed by early cold weather in the United States. A sustained rally in gas prices could boost Samson's profits.

(Reporting by Mike Stone and Greg Roumeliotis in New York; Editing by Paritosh Bansal and John Pickering)

## More From Reuters

- Djokovic offers to apologise to upset Wimbledon ballgirl | 7 Jul
- Texas man dies after setting off firework from chest | 8 Jul
- North Korean defector lifts lid on world's most secret state | 2 Jul
- Failure of new U.S. weapons systems may be more than science fiction | 1 Jul
- Mayweather stripped of title he won in Pacquiao fight | 6 Jul

[Back to top](#)

[Reuters.com](#)

[Business](#) | [Markets](#) | [World](#) | [Politics](#) | [Technology](#) | [Opinion](#) | [Money](#) | [Pictures](#) | [Videos](#) | [Site Index](#)

[More from Reuters](#)

[Reuters News Agency](#) | [Brand Attribution Guidelines](#) | [Delivery Options](#)

[Support & Contact](#)[Support](#) | [Corrections](#)[Account information](#)[Register](#) | [Sign In](#)[Connect with Reuters](#)[Twitter](#)[Facebook](#)[Linkedin](#)[RSS](#)[Podcast](#)[Newsletters](#)[Mobile](#)[About](#)[Privacy Policy](#)[Terms of Use](#)[Advertise With Us](#)[AdChoices](#)[Copyright](#)


---

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals.

Our Flagship financial  
information platform  
incorporating Reuters  
Insider

An ultra-low latency  
infrastructure for  
electronic trading and  
data distribution

A connected approach to  
governance, risk and  
compliance

Our next generation legal  
research platform

Our global tax workstation

---

[Thomsonreuters.com](#)

---

[About Thomson Reuters](#)

---

[Investor Relations](#)

---

[Careers](#)

---

[Contact Us](#)

Thomson Reuters is the world's largest international multimedia news agency, providing investing news, world news, business news, technology news, headline news, small business news, news alerts, personal finance, stock market, and mutual funds information available on Reuters.com, video, mobile, and interactive television platforms. Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

NYSE and AMEX quotes delayed by at least 20 minutes. Nasdaq delayed by at least 15 minutes. For a complete list of exchanges and delays, please [click here](#).